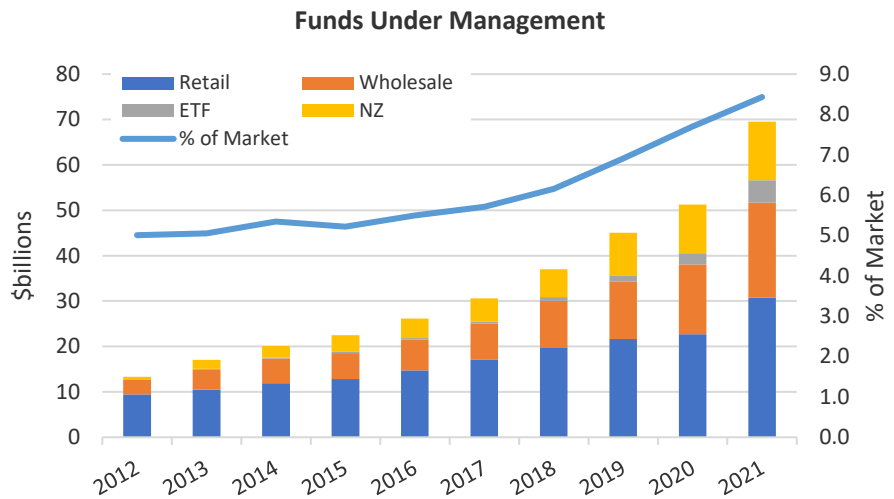


Responsible Investment Funds in Australia & NZ

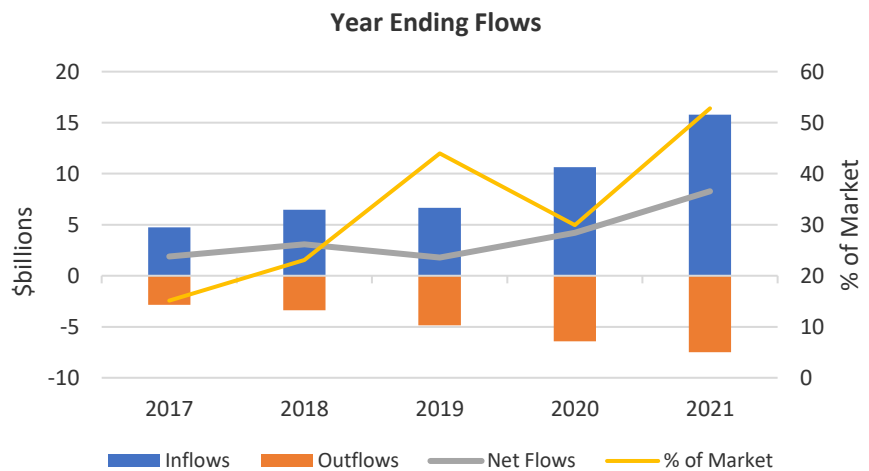
FUM, Flows and Performance September 2021

The Responsible Investment Funds in Australia & NZ quarterly report outlines industry data on market size (FUM), flows and performance of responsible, ethical and impact investment products that have been certified by the Responsible Investment Association Australasia (RIAA) and compares these results with the broader Australian & NZ managed funds markets over the 10 years to 30 September 2021.

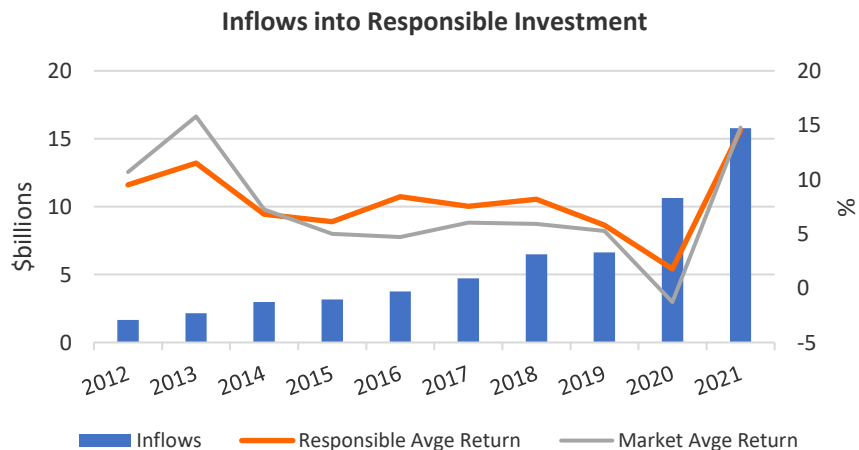
Responsible Funds Under Management have grown to over \$69.5bn as at the end of September 2021, driven by continuing positive investment performance and strong Inflows, accounting for 8.4% of the comparative market¹. FUM has grown 166% over the past 5 years and is more than 5 times larger than 10 years ago.



Inflows into Responsible products have experienced strong growth – Inflows over the past 5 years more than triple that of the previous 5 years, and Annual Net Flows having remained positive since 2012.



Annual Inflows into Responsible Investment funds have displayed a dramatic upward trend over the past 5 years, and when tracked against average annual returns demonstrate a remarkable resilience despite fluctuations in market returns.

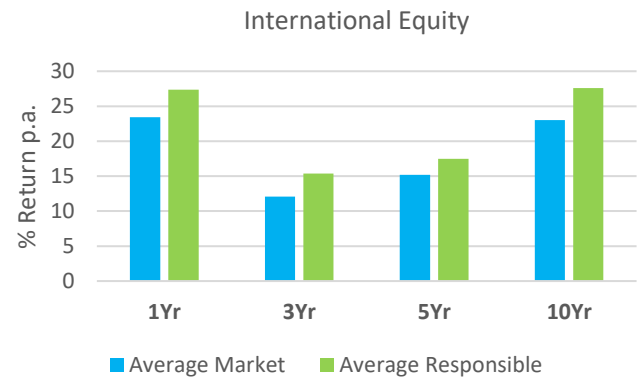
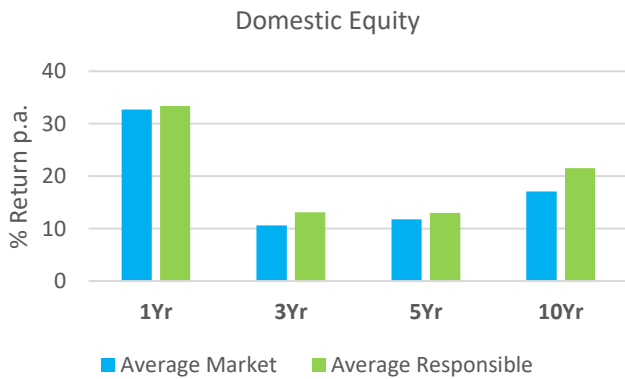


Responsible Investment Funds in Australia & NZ

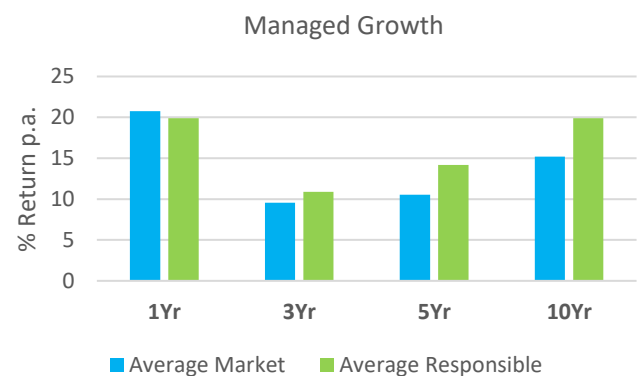
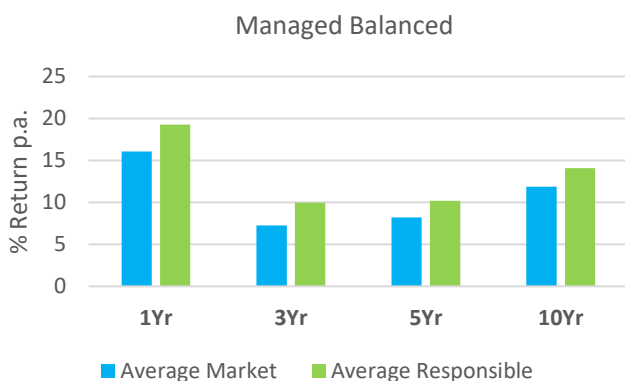
FUM, Flows and Performance September 2021

As at the end of September 2021 with investment markets solidifying gains, Responsible funds highlighted a propensity for investment with a longer-term focus and emphasis on ESG factors by reporting average annual performance almost identical to that of the wider market (and only 54% of funds outperforming the benchmark) but on a 3-year and 5-year CAGR basis Responsible funds outperformed the market by 1.6% p.a. and 1.5% p.a. respectively.

The **Australian Equity** asset class displayed outperformance at all time points, especially on a 10-year basis where the average return was +4.5% higher compared to the benchmark. Average performance was closest to the market over the past year at only +0.7%. Responsible **International Equity** funds significantly outperformed the wider market over all time periods, most impressively over the past 10 years by an average of +4.6% and over the most recent year by +3.9%.



Managed Balanced Responsible funds similarly outperformed the market average over all time periods, with the scale of outperformance ranging from +2.0% over the 5-year period to +3.2% achieved over the past year. Fewer Responsible funds fall within the **Managed Growth** asset class, and while they slightly underperformed the wider market over the past year, over longer time periods they clearly outperformed and by a wider degree the longer the timeframe (up to +4.7% over 10 years).



Responsible Investment Funds in Australia & NZ



FUM, Flows and Performance September 2021

About this Report

This report has been prepared by Plan For Life, an ISS Market Intelligence brand. Plan For Life collects data directly from fund managers and publishes quarterly analysis on Responsible Investment funds. This report is based on responsible, ethical and impact investment products that have been certified by the Responsible Investment Association Australasia as delivering on their responsible investment promise and meeting the Australian and New Zealand Standard for responsible investing (these products are all featured on www.responsiblereturns.com.au).

The performance charts provide an overview of average Responsible fund performance compared to comparable average market benchmark performance – please note that market returns include both Responsible funds and those without a responsible focus. Full market reporting is available covering all Retail, Wholesale, New Zealand and ETF products. For more information see <https://www.pflresearch.com/responsible-investments>.

¹The comparative market used to calculate “% of Market” FUM and Net Flow figures is based on product sub-markets from which Responsible Investment funds have been identified, including Wholesale Trusts, Retail Trusts, ETF’s and NZ KiwiSaver, rather than the total Australia & NZ Managed Funds market.

Please note that the NZ Super Fund, although RIAA accredited, has been excluded as sovereign wealth funds currently lie outside the scope of this reporting; FUM in this product is currently NZ\$58.5bn.

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